

1-1 By: Pitts (Senate Sponsor - Hegar) H.B. No. 2610
 1-2 (In the Senate - Received from the House May 6, 2013;
 1-3 May 8, 2013, read first time and referred to Committee on
 1-4 Education; May 14, 2013, reported favorably by the following vote:
 1-5 Yeas 9, Nays 0; May 14, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the issuance of interest-bearing time warrants and
 1-20 certain notes by school districts.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 45.103, Education Code, is amended by
 1-23 amending Subsections (a) and (c) and adding Subsection (a-1) to
 1-24 read as follows:

1-25 (a) Any school district in need of funds to construct,
 1-26 repair, or renovate school buildings, purchase school buildings and
 1-27 school equipment, or equip school properties with necessary
 1-28 heating, water, sanitation, lunchroom, or electric facilities or in
 1-29 need of funds with which to employ a person who has special skill
 1-30 and experience to compile taxation data and that is financially
 1-31 unable out of available funds to construct, repair, renovate, or
 1-32 purchase school buildings, purchase school equipment, or equip
 1-33 school properties with necessary heating, water, sanitation,
 1-34 lunchroom, or electric facilities or is unable to pay the person for
 1-35 compiling taxation data, may, subject to this section, issue
 1-36 interest-bearing time warrants, in amounts sufficient to
 1-37 construct, purchase, equip, or improve school buildings and
 1-38 facilities or to pay all or part of the compensation of the person
 1-39 to compile taxation data, any law to the contrary notwithstanding.
 1-40 The warrants shall mature in serial installments of not more than 15
 1-41 [~~five~~] years from their date of issue. The warrants on maturity may
 1-42 be payable out of any available funds of the school district in the
 1-43 order of their maturity dates. Any interest-bearing time warrants
 1-44 may be issued and sold by the district for not less than their face
 1-45 value, and the proceeds used to provide funds required for the
 1-46 purpose for which they are issued. The warrants shall be entitled
 1-47 to first payment out of any available funds of the district as they
 1-48 become due. Included in the purposes for which interest-bearing
 1-49 time warrants may be issued is the payment of any amounts owed by
 1-50 the school district that was incurred in carrying out any of those
 1-51 purposes.

1-52 (a-1) A school district may also issue interest-bearing
 1-53 time warrants to refund warrants previously issued under this
 1-54 section if the refunding warrants are coterminous with the refunded
 1-55 obligations.

1-56 (c) A school district may not issue interest-bearing time
 1-57 warrants in excess of five percent of the assessed valuation of the
 1-58 district for the year in which the warrants are issued. The payment
 1-59 of interest-bearing time warrants in any one year may not exceed the
 1-60 anticipated surplus income of the district for the year in which the
 1-61 warrants are issued, based on the budget of the district for that

2-1 year. The anticipated income computed under this section is
2-2 exclusive of all bond taxes. A school district may not have
2-3 outstanding at any one time warrants totaling in excess of \$1
2-4 million [~~\$500,000~~] under this section.

2-5 SECTION 2. Section 45.108(a), Education Code, is amended to
2-6 read as follows:

2-7 (a) Independent or consolidated school districts may borrow
2-8 money for the purpose of paying maintenance expenses and may
2-9 evidence those loans with negotiable or nonnegotiable notes, except
2-10 that the loans may not at any time exceed 75 percent of the previous
2-11 year's income. The notes may be payable from and secured by a lien
2-12 on and pledge of any available funds of the district, including
2-13 proceeds of a maintenance tax. The term "maintenance expenses" or
2-14 "maintenance expenditures" as used in this section means any lawful
2-15 expenditure of the school district other than payment of principal
2-16 of and interest on bonds. The term includes expenditures relating
2-17 to notes issued to refund notes previously issued under this
2-18 section if the refunding notes are coterminous with the refunded
2-19 obligation. The term also includes all costs incurred in
2-20 connection with environmental cleanup and asbestos cleanup and
2-21 removal programs implemented by school districts or in connection
2-22 with the maintenance, repair, rehabilitation, or replacement of
2-23 heating, air conditioning, water, sanitation, roofing, flooring,
2-24 electric, or other building systems of existing school properties.
2-25 Notes issued pursuant to this section may be issued to mature in not
2-26 more than 20 years from their date. Notes issued for a term longer
2-27 than one year must be treated as "debt" as defined in Section
2-28 26.012(7), Tax Code.

2-29 SECTION 3. Section 1202.007(a), Government Code, is amended
2-30 to read as follows:

2-31 (a) The following are exempt from the approval and
2-32 registration requirements of this chapter:

2-33 (1) a public security that is:
2-34 (A) not subject to mandatory renewal or renewal
2-35 at the option of any person, including the issuer, a holder, or a
2-36 bearer; and

2-37 (B) payable only out of:
2-38 (i) current revenues or taxes collected in
2-39 the year the public security is issued; or
2-40 (ii) the proceeds of other public
2-41 securities;

2-42 (2) a certificate in evidence of benefit assessments;

2-43 (3) a certificate of obligation, including a claim or
2-44 account that represents an undivided interest in a certificate of
2-45 obligation, that under Subchapter C, Chapter 271, Local Government
2-46 Code, an issuer is authorized to deliver to a contractor;

2-47 (4) a time warrant issued under Chapter 252 or 262,
2-48 Local Government Code;

2-49 (5) a public security authorized by Chapter 1371;

2-50 (6) a lease, lease-purchase, or installment sale
2-51 obligation, except as provided by other law; ~~and~~

2-52 (7) a public security that by rule the attorney
2-53 general exempts because it is not practical to require approval
2-54 before the public security's issuance; and

2-55 (8) a nonnegotiable note issued under Section 45.108,
2-56 Education Code, in a principal amount that does not exceed \$1
2-57 million.

2-58 SECTION 4. This Act takes effect September 1, 2013.

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